



Item 1: Cover Page

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**Form ADV Part 2A - Appendix 1
Wrap Fee Program Brochure
March 24, 2022**

This wrap fee program brochure provides information about the qualifications and business practices of LSB Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at: 515-452-0711 or by email to ben.steele@mylsbcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

LSB Capital Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about LSB Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. LSB Capital Management, Inc.'s CRD number is 310466.

Advisory services and recommended securities offered by LSB Capital Management, Inc. are not FDIC insured, are not guarantees or obligations of Lincoln Savings Bank, and may involve investment risk including possible loss of principal.

Item 2: Summary of Material Changes

There have been material changes since the February 10, 2021 filing on the IARD system as follows:

Effective 12/01/2021, we have Investment Adviser Representatives that are Registered Representatives with LPL Financial, LLC.

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Item 4 – Services, Fees, and Compensation

LSB Capital Management, Inc. (“Adviser”, “LSB Capital”, “we”, or “us”) was registered as an investment adviser in 2020 and provides asset management and financial planning services. The Adviser is a wholly-owned subsidiary of Lincoln Savings Bank, which has been active in the industry since 1998. The Adviser offers discretionary asset management services, advisory/consulting services to its clients both directly and as a sub-adviser on behalf of other entities, and offers a wrap program. We provide personalized asset management services to individuals, retirement and profit-sharing plans, trusts, estates, charitable organizations, and corporations. The Adviser is a fiduciary and is required to act in a client’s best interest at all times.

Description of Services Offered

Our wrap fee programs are designed to offer clients the opportunity to obtain professional portfolio management services through our access to both internal and institutional money managers and their investment strategies, brokerage services in support of the account, as well as financial planning, for an inclusive fee that is based upon the client’s assets under management. Because our firm absorbs client transaction fees under a wrap arrangement, an incentive exists to limit trading activities in client accounts. Depending on the client’s account or portfolio trading activity, clients may pay more for using our wrap fee services than they would for using our non-wrap services. This conflict of interest is mitigated by our fiduciary responsibility to always act in our client’s best interest, as such we do not manage wrap accounts in any manner different from non-wrap accounts.

Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that we pay LPL Financial LLC (“LPL”), the account sponsor, transaction charges for those transactions. The transaction charges paid by us vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by us for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because we pay the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to us of transaction charges may be a factor that we consider when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as “Class I,” “institutional,” “investor,” “retail,” “service,” “administrative” or “platform” share classes (“Platform Shares”). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses (“brokerage-related services”) to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

We have a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline us, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, We pay LPL a per transaction charge for mutual fund purchases and sales in the account. We generally do not pay transaction charges for Class A Share mutual fund transactions accounts, but generally do pay transaction charges for Platform Share mutual fund transactions. The cost to us of transaction charges generally may be a factor we consider when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to us for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between us and the client. In short, it costs us less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with us the advisory fee for management of an account.

Our digital wealth management wrap fee program is focused on providing clients with online discretionary portfolio management services and brokerage transactional services for a single asset-based fee. We do this through web-based applications and informational resources, as well as virtual interaction. We do not provide traditional financial planning services via our digital wealth management wrap fee program. If a client determines that they only require assistance with the development of a financial plan or similar consultation, or prefer face-to-face investment management services, they may be interested in our financial planning or investment management engagements that are described in further detail within our other firm brochures that we will provide upon request.

Our digital wealth management program provides the following portfolio models:

Income (20/80)

The 20/80 portfolio provides investors with the opportunity to protect wealth through a conservative, risk managed approach. With 80% of the portfolio invested in fixed income ETF portfolios, exposure to the stock market is limited, and the bond markets typically provide a consistent stream of income for the investor. To keep pace with inflation, the portfolio invests 20% into equity ETFs, which raises the growth potential over that of a portfolio devoid of stock exposure.

Balanced Income (40/60)

This portfolio provides a balanced investment approach with a touch of conservative emphasis. The portfolio has a healthy exposure to the stock market, with 40% of its assets invested in domestic and international equity ETFs. Compared to other model portfolios, this portfolio contains a reduced exposure to international and emerging markets stocks.

The portfolio is moderated by a strong bond presence. With 60% of portfolio assets in bond ETFs, investors can expect a stream of income and some protection from a downward stock market.

Balanced (60/40)

This portfolio provides a balanced investment approach with an emphasis on growth. The portfolio aims to be more resistant to inflation, with potential for increased return. Its 40% bond ETF presence provides income to the investor and helps dampen volatility during a stock market downturn. The 60% equity portion in this portfolio includes allocations to domestic and international ETFs, with some exposure to emerging market ETFs.

Growth (80/20)

The 80/20 portfolio provides a sizeable exposure to the stock market, with a more aggressive approach towards long-term growth potential. The equity portion of the portfolio includes increased exposure to domestic and international small-cap ETFs, with an increased stake in emerging market ETFs as well.

There is a relatively small exposure to fixed income ETFs, providing limited income generation and downside protection.

Aggressive (100/0)

This portfolio is designed to provide maximum exposure to global equity markets. Portfolio holdings are globally diversified, featuring relatively large positions in small cap and emerging market ETFs.

This portfolio does not contain any exposure to fixed income markets, and income generation is not a primary objective.

Wrap Fees Assessed

Asset-Based Fee

Client fees for our wrap fee advisory program offering are based on assets served by our firm and generally start at 1.25%. For our services, we may receive up to 100% of the fee assessed on the account. Family members and employees of those who work for the Adviser receive substantial fee discounts due to the family relationship.

The following fee table applies: *

Total Assets Under Management	Total Fee
Up to \$1,000,000	1.25%
\$1,000,001 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.50%
Over \$10,000,000	Negotiable

*Fees for highly concentrated or specialized equity or fixed income portfolios may be lower.

LPL Programs

Total Assets Under Management	Total Fee*
Up to \$1,000,000	2.00%
\$1,000,001 - \$2,500,000	1.50%
\$2,500,001 - \$5,000,000	1.25%
\$5,000,001 - \$10,000,000	1.00%
Over \$10,000,000	Negotiable

*Adviser, in its sole discretion, may negotiate to reduce any fee.

Digital Advice Fees

Assets Under Management	Total Fee
Balances up to \$250,000	0.65%
Balances from \$250,000 to \$999,999	0.50%
Balances over \$1,000,000	0.40%

Discounting Fees

For the benefit of discounting your asset-based fee, we may aggregate investment supervisory services accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account. Should investment objectives be substantially different for any two or more household accounts, requiring different investment approaches or operational requirements, we reserve the right to apply our fee schedule separately to each account.

For all noted forms of advisory engagements with our firm, the services to be provided to you and their specific fees will be detailed in your client services agreement. Our published fees may be discounted at the firm's discretion but they are not negotiable.

Fee Payment

As fees are payable in arrears, typically, there will be no reason for the Adviser to provide a refund. The client, however, will be responsible for any outstanding balance due to the Adviser for services rendered. The Digital Adviser fees are billed monthly in arrears.

By signing our firm's client services agreement, as well as the custodian account opening agreement, you will be authorizing the withdrawal of the wrap program fee from your account held at the custodian. All fees will be clearly noted on your statements that you will receive from your account custodian. The withdrawal of wrap program fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit fees to each respective party for their services involving your account. Please note that you will be responsible for verifying the accuracy of the fee calculation; the custodian will not verify the accuracy for you.

Termination

Either party may terminate the engagement agreement at any time. Upon termination notice our firm will not be responsible for future allocations, transactional services or investment advice. It will be necessary that we inform the custodian and any investment manager serving the account that the relationship between the firm and the client has been terminated.

If our wrap fee investment program brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should you terminate an engagement after this date, you may be assessed fees for any time or charges incurred by our firm in the preparation of your plan or investment allocation, and/or the number of days your investment account had been under our management. We will promptly return any unearned amount upon receipt of a written termination notice.

Services Purchased Separately

The total costs associated with a wrap fee program account may be more or less than separately purchasing brokerage and advisory services. The factors that bear upon the relative costs of any wrap fee program include the number of and timing of transactions, referral fees (if any), portfolio management and custody fees; regulatory, compliance and administrative charges; research costs, promotional materials, among others. These and other factors may affect the cost of obtaining these services separately from another provider.

Additional Client Fees

There are typically no sales loads, brokerage fees, mark-ups, mark-downs, spreads paid to market makers, or brokerage termination or account surrender fees associated with most of our programs.

Compensation Matters

Fees paid to the Adviser are for the advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice.

General Information***Custody***

We do not maintain physical custody of the assets we manage on your behalf. Your assets must be maintained in an account at a “qualified custodian,” generally defined as a broker-dealer or bank. Clients can establish accounts at LPL Financial (“LPL”) or use Apex Clearing Corporation (“Apex”), a registered broker/dealer, member SIPC, as a qualified custodian. Apex is independently owned and operated and is not affiliated with the subadvisor or us. The subadvisor will arrange for your assets to be held in a brokerage account and they will buy and sell securities when we instruct them to. We require that you use Apex as custodian/broker-dealer for the digital wrap program services. You will open your account with Apex by entering into an account agreement directly with Apex. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Apex, other custodians may be available to you through the subadvisor’s Platform.

HOW WE SELECT CUSTODIANS/BROKERS We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

LPL Transaction Charges and IRA Custodial Fees

The transaction charge of \$20.00 assessed by LPL for certain mutual fund transactions is lower than the charges customarily imposed by LPL when processing similar transactions for similar accounts. In addition, LPL may waive the IRA custodial fees for our client’s accounts depending on the circumstances. This is because we have entered into an arrangement based on the scope of business we engage in with LPL,

including the amount of client assets the firm holds with LPL. The reduced transaction charge and waived IRA custodial fees presents an incentive for us to recommend you use LPL as the custodian and executing broker/dealer for your account so that all of our clients continue to receive the favorable transaction charges. That said; we believe this arrangement benefits you because the transaction charges and IRA custodial fees are lower than they would be normally. As a result, we believe that using LPL to custody and execute transactions for your account is consistent with our duty to obtain best execution. Please note that LPL will advise you of its standard transaction charges and IRA custodial fees when you open your account with LPL. LPL also has the right to impose its standard transaction charges and discontinue waiving the IRA custodial fees in the future if the scope of our business with LPL changes.

If we make a trade error that results in a loss to a client, we will make the client whole. If we make a trade error that results in a gain to a client, LPL, and not us, keeps the gain. In that case, LPL will keep the gain to defray the processing costs associated with errors.

YOUR BROKERAGE AND CUSTODY COSTS For our clients' accounts that the subadvisor maintains, Apex generally does not charge you separately for custody services, but is compensated as part of the subadvisor's platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having the subadvisor execute trades through Apex is consistent with our duty to seek "best execution" of your account. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

SERVICES AVAILABLE TO US VIA Subadvisor

Apex serves as a broker/dealer to the subadvisor, providing an investment and advice Platform serving independent investment advisory firms like us. The subadvisor also makes available various support services which may not be available to other investment advisory firms. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. The subadvisor's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of the subadvisor's support services:

1. **SERVICES THAT BENEFIT YOU.** The subadvisor includes access to a range of investment products, execution of securities transactions, and custody of client assets through Apex and other custodians/broker-dealers. Services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** The subadvisor also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
 - Assist with back- and middle-office functions, limited recordkeeping, and client reporting of our clients' accounts
 - Provide access to client account data (such as duplicate trade confirmations and account statements)
 - Provide pricing and other market data.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using the subadvisor, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Publications and white label marketing materials

When placing orders for more than one client account, the Adviser portfolio manager may decide to aggregate similar purchase or sale orders in the same security for several accounts resulting in an average price being applied to each client account participating in the aggregate order.

The Adviser representatives will not generally exercise discretion to evaluate the commissions and services of other broker-dealers unless unusual conditions exist. Selection of one broker-dealer for executing orders may not allow the Adviser to receive research from other broker-dealers in return for commission business, to batch transaction orders with those of other clients for volume commission discounts (unless batched with orders of the other Adviser clients) or allow the Adviser to evaluate the quality of execution services and commissions of other broker-dealers. Thus, selecting a single broker-dealer may not result in best price or execution of a client's transactions.

LSB Capital Management, Inc. is a wholly owned subsidiary of Lincoln Savings Bank. Advisory firm management and associated personnel remain operationally independent of bank operations. Our advisory firm does not own or control another financial services entity. In addition, internal control assessments are periodically made to ensure such separation is consistently maintained.

Firm Services

We do not provide legal or accounting services. With your consent, we may work with your other advisors (attorneys, accountant, etc.) to assist with coordination and implementation of accepted strategies. You should be aware that these other advisors will charge you separately for their services and these fees will be in addition to our advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. LSB Capital Management, Inc. cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Other Compensation

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with the firm (but not the firm itself) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with this firm. Under this arrangement, clients may implement securities transactions through certain of our Investment Adviser Representatives in their respective individual capacities as registered representatives of LPL, an SEC registered broker-dealer and member of FINRA. LPL may charge brokerage commissions to effect these securities transactions and

thereafter, a portion of these commissions may be paid by LPL to such representatives. Prior to effecting any transactions clients are required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker-dealers. We do not charge an advisory fee on the same assets for which our Investment Adviser Representatives receive commissions.

First and foremost, our objective as a firm is to place nothing before the best interests of our clients. However, a conflict of interest exists to the extent that advisory representatives can recommend the purchase of securities where they receive commissions or other additional compensation as a result. The receipt of commissions provides an incentive for advisory representatives to recommend investment products based on compensation they will receive from selling such products, rather than on the client's needs. We do not allow advisors to earn a commission on products that are included within our advisory accounts.

We take the following steps to mitigate the possibility that the advisory representatives will recommend an investment product based on commission rather than on the client's needs: we address the inherent conflicts as noted in the paragraph above, by disclosing them to you in this Brochure and disclosure is made to the client at the time a brokerage account is opened through LPL, identifying the nature of the transaction or relationship, the role to be played by LPL and the advisory representative, individually, and any compensation (e.g. commissions) to be paid by the client.

Item 5 – Account Requirements and Types of Clients

The Adviser makes its' advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The Adviser usually does not require a minimum account size before accepting accounts for its various management services. We do use a third-party platform for certain types of accounts that meet certain criteria.

Account Opening

Participation in the program is initiated by submitting the following completed documents to the firm, typically through an investment advisor representative of our firm:

- Client Services Agreement,
- Custodian Account Application, and
- Statement of Investment Selection or similar Investment Questionnaire.

Based on these completed documents, the investment advisor representative will make the initial determination as to the client's suitability for the wrap fee program. The firm also assesses whether to establish an account for a particular client that includes ensuring the appropriate documentation, risk tolerance and asset allocation are made.

Types of Clients Served by the Firm

While our current client base tends to be individuals and high net worth individuals, we are available to provide our services to charitable organizations and foundations, businesses of various scale, as well as their pension and profit sharing plans.

Types of Clients Served within the Wrap Program

We generally offer the wrap fee program only to individuals, trusts, estates, and charitable organizations. We will include businesses and pension and profit sharing plans should their investment guidelines permit us to do so. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, or pre-existing relationships. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

Item 6 – Portfolio Manager Selection and Evaluation

Selection and Monitoring of Third Party Money Managers

Clients' investment portfolios are managed either by our Investment Adviser Representatives or outside portfolio managers. With our clients input and agreement we have the ability to hire or delegate authority to independent third party investment managers to manage a portion or all of our clients' portfolios through advisory management services programs. In doing so we primarily use outside portfolio managers that are provided by the subadvisor.

We help clients select and review outside portfolio managers based on the following factors:

- past performance;
- cost;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- opinions of third party analysts;
- disciplinary, legal and regulatory histories of the firm and its associates;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

When we review outside portfolio managers we do not independently calculate portfolio manager performance. Instead, we rely upon the performance figures from client's account statements or reports provided to us by the outside portfolio managers. We do, however, watch for several types of events in conjunction with poor performance. These events trigger an in-depth review of an outside portfolio manager and primarily include:

- Significant changes in asset allocation;
- Substantial drift in investment style; and/or
- Sustained under-performance.

We do not verify the accuracy of such performance information or its compliance with presentation standards. As a result, performance information may not be calculated on a uniform and consistent basis.

The benchmarks for account performance are based on each client's responses to firm suitability information. The firm will select an investment manager felt capable to employ an appropriate investment strategy as well as develop a diversified portfolio using this strategy. We maintain current client profiles and may recommend adjustments to portfolios accordingly.

Clients will typically receive written performance evaluation reports at least annually from our firm that have been provided to us by the subadvisor. We do not validate these reports or those provided by portfolio managers to clients and cannot attest as to whether they are calculated on a uniform and consistent basis.

Related Persons Serving as Portfolio Manager

When the wrap fee program portfolio manager is associated with LSB Capital a conflict of interest exists since the associate and our firm may both benefit from a greater percentage of the advisory fee by not outsourcing the investment management aspect of the wrap fee program to another advisor. In light of this material matter, the firm will ensure it utilizes the same due diligence and account management selection or termination criteria for its own portfolio manager(s) that it would had an external source been engaged; in addition to further scrutiny to ensure appropriate portfolio selection, fees and other compensation meet within the account investment guidelines, firm procedures and regulatory requirements.

Advisory Services Offered within Wrap Fee Program

Please refer to *Description of Services Offered* in Item 4 for details involving the types of advisory services we provide within our wrap fee program, which includes financial planning services via this program. Our investment strategy and the types of investments employed are noted within Item 4 and following paragraphs/sections. Please refer to Item 4 involving restrictions you may request for your portfolio.

The Adviser does not charge any performance-based fees and does not vote proxies on behalf of clients who will receive such notices from their account's custodian.

The Adviser also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and technical analysis (examining technical moves in the price of an issue based upon peer securities or comparisons to an investment sector or index). All securities analysis methods and strategies, even those used by the Adviser may involve a high degree of risk and losses can occur.

The Adviser's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, public filings and company press releases.

The Adviser does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by the Adviser.

The Adviser may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETF's are subject to risks similar to those of stocks.

Item 7 – Client Information Provided to Portfolio Managers

Information Provided to Portfolio Managers

Under this form of advisory engagement, we will gather information from you about your financial situation, investment objectives, and any reasonable restrictions you may want to impose on the management of the account. We will then provide this data to the investment manager providing support to some or all of your portfolio, and they will invest on behalf of your account in accordance with the strategies set forth in their own disclosure documents, which will be provided to you by our

firm prior to your portfolio employing their strategies.

We want to note that it will remain your responsibility to promptly notify us if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations. Clients are also reminded that restricting investment to particular assets or asset classes may minimize diversification and potentially increase portfolio volatility.

Please refer to Item 9 (*Additional Information: Review of Accounts*) about how we review your accounts, as well as how often we may provide you with wrap fee investment program information.

Discretionary Account Management

The selected investment manager assumes discretionary authority over an account. Similar to a limited power of attorney, discretionary authority allows the investment manager to implement decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated account objectives.

Should an investor prefer their wrap fee program account be managed under a non-discretionary agreement, requiring prior approval of all investment purchases and sales, the firm would not be able to serve the account under the wrap fee program.

We may serve an account on a discretionary basis, however, that level of account authority does not include our individual investment adviser representatives having such trading authorization. Portfolio management only occurs at our main office.

Item 8 – Client Contact with Portfolio Managers

In certain instances, you may be able to attend general communications sessions offered a portfolio manager as well communicate with the various investment managers serving your account. When desiring to communicate with an investment manager, we would ask that you allow our firm to serve as coordinator so that we may effectively assist both parties and follow up as necessary.

Item 9 – Additional Information

Disciplinary Information

The Adviser does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

Other Financial Industry Activities and Affiliations

LSB Capital and Lincoln Savings Bank (“Bank”)

LSB Capital is a wholly-owned subsidiary of Lincoln Savings Bank, an Iowa chartered bank. Both LSB Capital and Bank share dual employees. LSB Capital may provide investment services to its parent and to other banking affiliates which creates a conflict of interest. LSB Capital addresses conflicts of interest by disclosing the conflict to the client, by avoiding activities that put our interests ahead of our clients’ interests, and by maintaining a comprehensive supervisory program. In addition, we have designated a Chief Compliance Officer to assist with monitoring the firm’s policies and procedures, as well as the effectiveness of their implementation.

Receipt of Securities Commission

We participate in LPL’s hybrid RIA program. As such, some of the investment advisory representatives are also registered representatives of LPL. LPL is a broker-dealer that is independently owned and

operated and is not affiliated with the firm. Please refer to Item 12 for a discussion of the benefits the firm receives from LPL and the conflicts of interest associated with receipt of such benefits. In such capacity, those advisory representatives that are also registered representatives of LPL will receive commissions for recommending the purchase or sale of securities. As a result of this relationship, LPL has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if the client does not establish any account through LPL. Any client who would like a copy of the LPL privacy policy may contact the firm.

Receipt of Insurance Commission

Some of the firm's advisory representatives, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend the purchase of certain insurance products. We permit the advisory representatives, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that the advisory representatives recommend the purchase of insurance products and receive insurance commissions or other additional compensation.

Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

In addition to our own analysts, we engage a select group of unaffiliated institutional investment managers for our wrap fee investment program to serve as portfolio managers. These entities are required to be registered as investment advisors, and they share in a portion of the overall wrap program advisory fee assessed to an account via the custodian of record for their services (see Item 4). Beyond their reputation and investment knowledge, there are no other incentives they offer our firm that require disclosure.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser and its employees may buy and sell securities that they recommend to advisory clients for purchase and sale. To the extent possible, the firm and its employees will process securities transactions for client accounts ahead of similar transactions contemplated for their own accounts. To ensure employee transactions are supervised, we have established a Code of Ethics designed to prevent conflicts of interest. Under the requirements of the Code, each Adviser employee is required to file personal transaction reports regularly for transactions in accounts in which they have a beneficial interest. In addition, certain types of transactions for employee personal accounts require preapproval and certain types of transactions are prohibited. A complete copy of the Adviser's Code of Ethics is available upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a "related person" (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Our firm is able to provide a broad range of services to its clients, including financial planning, investment consultation, and investment management services; we may be paid a fee for some or all of these services. Due to our firm and its associate's ability to offer two or more of these services and possibly be compensated for each aspect of the engagement, a conflict of interest exists. We therefore

note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete them through our firm or our recommended service providers.

Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

We do not trade for our own account (e.g., proprietary trading). A conflict of interest exists, since our related persons may buy or sell securities similar to those recommended to clients for their accounts. We may also make recommendations or take action with respect to investments for our clients that may differ in nature or timing from recommendations made to or actions taken for other clients or our employees. At no time will we or any related party receive preferential treatment over our clients. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client's order, etc.) any exceptions or trading preclearance must be approved by the Chief Compliance Officer in advance of the transaction in any related person's account.

Review of Accounts and Reports

Managed accounts are reviewed on a periodic basis as deemed necessary. Clients will receive a quarterly report from the Custodian identifying the securities in their portfolio and the value of those securities. We will review any aspect of a client's account when asked to do so. There are no restrictions on the ability of clients to contact and consult with us any time they wish regarding the content of any the Custodian report or any aspect of their account.

Client Referrals and Other Compensation

As a result of our relationship with LPL, we may receive production bonuses, stock or stock options to purchase shares of LPL's parent company, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or the amount of assets serviced through LPL. Thus, there is a financial incentive for us to recommend that you select LPL as the custodian for your investment management account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client's best interests.

We also receive payments from LPL to reimburse for marketing related expenses, technology costs, and to pay for transitioning new advisory representatives to the firm. Please see detailed discussion of the conditions and conflicts of interest in Form ADV Part 2 Item 12 Brokerage Practices.

We receive an economic benefit from LPL in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at LPL. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12- Brokerage Practices). The availability to us of LPL's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

LPL's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage trading, custody, reporting and related services – many of which are not typically available to LPL retail customers. LPL also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Here is a more detailed description of LPL's support services:

Services that Benefit You. LPL's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through LPL include some to which we might not otherwise have access or that would

require a significantly higher minimum initial investment by our clients. LPL's services described in this paragraph generally benefit you and your account.

Services that May Indirectly Benefit You. LPL also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both LPL's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at LPL. In addition to investment research, LPL also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Our Firm. LPL also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

LPL may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. LPL may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. LPL may also provide us with other benefits such as occasional business entertainment of our personnel.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we have an incentive to continue to use or expand the use of LPL services. Our firm examined this conflict of interest when we chose to enter into the relationship with LPL and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

LPL charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL may be higher or lower than those charged by other custodians and broker-dealers.

We receive indirect economic benefits from the subadvisor in the form of the support products and services that they make available to us and other independent investment advisers. We also receive indirect economic benefits from service providers (such as custodians, broker/dealers) utilized by the subadvisor. These products and services, how they benefit us, and the related conflicts of interest are

described above (see Item 12—Brokerage Practices). The availability to us of the subadvisor's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

The Adviser does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Apex Clearing or LPL, in return for client referrals.

Financial Information

The Adviser does not receive fees of more than \$1,200 six months or more in advance. As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. The Adviser has no additional financial circumstances to report.

Confidentiality

We have adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that the customer expects us to service their accounts in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about our customers. We want the customer to know what information we collect and how we use and safeguard that information.